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• Marlboro, Winston and Camel have had through the list price reduction. Without the same net price as Marlboro when re-

the premium segment continuing  
Camel and Winston should settle at  
complete.

• Retail implementation of the Premium and Branded Discount price reduction will be complete within the next two weeks. Average reductions are at the expected amount on cartons and greater than expected on packs.

• Prices are softening on the low end, due to trade margin compression and manufacturer price activity (coupons, buy-down, private label allowances), which will slow or reduce the amount of gap closure. This effect, plus the reduction of other premium prices, may erode the incremental share Marlboro achieved in MLP.

• This low end activity is increasing Basic's price gap versus the lowest price in same stores, threatening its share performance. Basic can grow in stores where the pack price gap is under 10¢, but loses share rapidly as the gap crosses the 10¢ threshold.

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